



July 29, 2010

Dear Charter School Authorizer Applicant:

Thank you for your interest in submitting an application to become an approved charter school authorizer pursuant to Minnesota Statutes section 124D.10.

Minnesota led the nation in developing the first charter school law and charter schools have provided exciting new and innovative school choice options for Minnesota families and students since 1992. Historically, there is a direct correlation between a high-quality authorizer and a high-quality charter school. It is critical to ensure that charter school authorizers meet the highest standards of quality charter school oversight.

Again, thank you again for your interest in submitting an application.

Sincerely,

A handwritten signature in black ink that reads "Alice Seagren". The signature is written in a cursive style with a large, sweeping initial "A".

Alice Seagren  
Commissioner



## **Minnesota Department of Education Authorizer Request for Proposals**

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## INTRODUCTION

In cities and states across the country, more public officials are seeing charter schools as one of several powerful and complementary strategies to improve public education in their communities. These officials are stepping forward to play a leading role in the development of a high-quality charter school sector. Local school superintendents, state superintendents, colleges, governors, mayors, university leaders, not-for-profits and others are taking bold action to develop plans, form public-private partnerships, allocate resources, provide facilities, and implement policies to support new charter schools that meet high standards.

From the moment that our legislature gave birth to charter schools by enacting the first charter school law in 1991, Minnesota has long been a leader in the charter school sector. The first charter school in the nation opened here in 1992. Since then, Minnesota charter schools have grown steadily to a total of 152 schools serving more than 35,000 public school students. Minnesota also has one of the highest authorizer-to-school ratios in the country with 47 authorizers overseeing those 152 schools.

As a national leader in the charter school sector, we have learned through practice and experience that authorizers have a significant impact on the nature and quality of these public schools. The authorizer makes at least two critical decisions in the life of every charter school: whether to approve the application and whether to renew the school. In addition, the authorizer has an ongoing relationship with approved schools through which it needs to balance the need to represent the public interest in monitoring the school with ensuring that each school has the operational autonomy that is critical to the charter school idea. There are specific characteristics of an authorizer that fulfills those responsibilities well. This request for proposals is designed to facilitate authorizer evaluations that reflect and align with those characteristics in a clear, evidence-based manner.

The Minnesota Department of Education has worked closely with the National Association of Charter School Authorizers (NACSA) to develop this authorizer approval application process. NACSA was founded on the principle that every child should have the right to choose a high-quality school and advances this vision by promoting the establishment of quality charter schools through responsible oversight in the public interest. It is the only national organization that focuses exclusively on supporting and improving the quality



of charter school authorizing as a means to increasing the number of quality charter schools. In addition, NACSA is the only organization to have developed and implemented a system for comprehensive evaluation of authorizer quality. The central language in Minnesota's new authorizer quality legislation draws directly from NACSA's *Principles and Standards for Quality Authorizing*, and this request for proposals aligns directly with both the Minnesota State Legislature's mandate and the quality authorizing principles that provide the foundation for that mandate.



## APPLICATION REVIEW TIMELINE AND PROCESS

The request for proposals process begins with release of this request for proposals and ends with the department’s final decisions. Following are the key stages and dates of the process.

Request for Proposals Stage	2010 Date
Request for Proposals Release	July 26
Applicant Orientation/Information Sessions	Mid-August
Proposals Due (must be received by 2:30 p.m. Central Time)	By September 28
Applicant Interviews	Range of Dates
Approval/Disapproval Decisions and Notifications	By December 27; “Within 60 business days of the application deadline”
Submission to Demonstrate Satisfactory Remedy of Deficiencies	“Within 20 business days of notification”
Final Decisions	In accordance with statute

Application reviews will begin prior to the proposal due date, follow the sequence in which they were received, and adhere to Minnesota Statutes section 124D.10 Subd. 3(c), “the commissioner must approve or disapprove an application within 60 business days of the application deadline. If the commissioner disapproves the application, the commissioner must notify the applicant of the deficiencies and the applicant then has 20 business days to address the deficiencies to the commissioner's satisfaction.”

\*As identified in Minn. Stat. § 124D.10 Subd. 3(b)(5), no more than three single-purpose authorizers may be approved by the commissioner



## APPLICATION COMPONENTS

The authorizer certification process is designed to assess how well an authorizer is fulfilling its role, based on the requirements set out in Minnesota Statutes section 124D.10 (Charter Schools) and consistent with NACSA's *Principles & Standards for Quality Authorizing*.

### Introduction

The authorizer certification process has four Parts, each part contains sections.

#### **Part A: Statement of Interest**

##### **Section A.1: Mission and Vision**

##### **Section A.2: Capacity and Infrastructure**

Part A is composed of a three to five page description of the authorizer's purpose, vision and capacity for charter school authorizing going forward. Relevant resumes and a five-year financial plan are requested as attachments to this section.

#### **Part B: Evaluation of Existing of Proposed Practices**

##### **Section B.1: Application Decision-Making**

##### **Section B.2: Contracting and Oversight**

##### **Section B.3: Performance-Based Accountability**

##### **Section B.4: School Autonomy**

Part B is composed primarily of documentary evidence related to the authorizer's existing practices (in the case of currently operating authorizers) or proposed practices (in the case of new authorizers, including single-purpose authorizers).

#### **PART C: Evaluation of School Performance**

##### **Section C.1: Academic Performance**

##### **Section C.2: Fiscal Performance**

Part C is composed of an analysis of fiscal and academic data associated with an authorizer.

#### **PART D: Authorizer Interview**



Part D will involve an interview of individuals relevant to the organization's authorizing duties. School directors and board chairs associated with active authorizers will be surveyed and invited to participate in an interview. The interview session will be conducted at the department and consist of questions generated by reviewers following their desk review of the application.



## SUBMISSION INSTRUCTIONS

### Complete Application

An authorizer should submit an application **only** once it considers the application to be complete. A complete application includes all required attachments and documentation of practices.

### Preparing Responses

***Read and adhere to the submission instructions for each part of the application.***

**Part A** is a three to five page constructed response plus relevant attachments.

**Part B** is a request for documentation. Applicants are asked to compile and submit documentation of existing or proposed authorizing practices.

**Part C** reviews the performance of schools associated with an authorizer and includes analysis of fiscal and academic data. The department will compile school performance data for active authorizers; new authorizers may provide data to identify the performance of schools with whom they have a history of doing work.

**Part D** is an interview of individuals relevant to the organization's authorizing duties with the review team.

**Attachments.** Attachments submitted by the applicant are an essential supplement to the application. They include the following:

- Resumes of relevant personnel
- Five-year financial plan
- Evidence of Authorizer Practices
- Assurances (Application Cover Sheet 2)
- Any required organization documentation.

### Submission Format

The applicant must submit a total of eight (8) unbound, clipped, or stapled hard copies of the application to the department. In addition, applicants must submit one (1) electronic copy of the application.

### Document Sequence



It is important that you submit materials in an organized fashion, include page numbers or another reference system. Include documents in the same order that you list them on the Evidence of Authorizer Practices Document List (see Attachment B p. 30).

The Evidence of Authorizer Practices Document List should, in turn, follow as closely as possible the evaluation section to which they are relevant. In other words, documents related to application decision-making should be listed first and should be presented in the order listed on Table 1 (p 15). Data related to school performance should be listed at the end of Table 1 and should be presented last.

**Electronic Format**

An electronic version of the entire application should be submitted on a USB-compatible flash drive. Acceptable formats are Adobe PDF, Microsoft Word and Microsoft Excel.

**Where to Submit an Application**

Complete applications eight (8) hard copies and one (1) flash drive may be mailed or delivered to:

Minnesota Department of Education  
Attn. Marsha Davis-Busch  
Division of School Improvement  
1500 Highway 36 West  
Roseville, MN 55113

**When to Submit an Application**

An authorizer that chartered a school before August 1, 2009 that wishes to continue to authorize charter schools<sup>1</sup> must apply before June 30, 2011. To facilitate effective and efficient application and evaluation, the department intends to conduct an additional authorizer review process between now and the statutory deadline.

The submission deadline for the current application cycle (Fall 2010) is **September 28, 2010**. For each application cycle, the commissioner will make application decisions within 60 business days following the submission deadline.

**Applications must be received by the department before 2:30 p.m. Central Time on the date due.**

Application Cycle	Submission Deadline
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<b>Fall 2010 (current cycle)</b>	<b>September 28, 2010</b>
<i>Spring 2011</i>	<i>TBD</i>

### **Amending Responses**

DO NOT send unsolicited amendments to the application following its initial submission; submitted applications are considered complete and will trigger the evaluation process to begin.

If an application is disapproved, the commissioner’s notice will include reviewer feedback that identifies any content that has been reviewed as unsatisfactory. Per Minnesota Statutes section 124D.10 Subd. 3(c), if an application is disapproved, “the commissioner must notify the applicant of the deficiencies and the applicant then has 20 business days to address the deficiencies to the commissioner's satisfaction.”

### **Questions regarding the application**

Questions regarding the application are to be submitted in electronic form by September 1, 2010 to: [mde.charterschools@state.mn.us](mailto:mde.charterschools@state.mn.us). No phone calls, please. All questions and answers regarding the application process will be posted on the department’s Website by September 1, 2010, at: [http://www.education.state.mn.us/MDE/Academic\\_Excellence/School\\_Choice/Public\\_School\\_Choice/Charter\\_Schools/index.html](http://www.education.state.mn.us/MDE/Academic_Excellence/School_Choice/Public_School_Choice/Charter_Schools/index.html).

### **Disposition of Responses**

Once an application is received, the department may release to the public the name of the authorizer and mailing address. All materials submitted in response to this request for proposals will become property of the state and will become public record in accordance with Minnesota Statutes section 13, after the evaluation process is completed. Completion of the evaluation process occurs when the commissioner has notified every applying organization of approval or disapproval. If the responder submits information in response to this request for proposals that it believes to be trade-secret materials as defined by the Minnesota Government Data Practices Act, Minnesota Statutes section 13.37, the responder must:

- Clearly mark all trade secret materials in its response at the time the response is submitted
- Include a statement justifying the trade-secret designation for each item
- Defend any action seeking release of the materials it believes to be trade secret, and indemnify and hold harmless the state, its agents and employees, from any judgments or damages awarded against the state in favor of the party requesting the materials, and any and all costs



connected with that defense. This indemnification survives the state's award of a contract. In submitting a response to this request for proposals, the responder agrees that this indemnification survives as long as the trade-secret materials are in possession of the state.



## APPLICATION RATING SCALE

### Cumulative Ratings

The rating for each part and section of the application will be based on the following scale:

	<b>Well-developed</b>	The content <b>exceeds</b> the minimum statutory requirements and materially satisfies the department’s standards for quality authorizing.
	<b>Satisfactory</b>	The content materially <b>satisfies</b> the minimum statutory requirements for authorizing.
	<b>Unsatisfactory</b>	The content <b>fails to meet</b> the minimum statutory requirements.

*Please note, ratings are qualitative and not to be quantified.*

### Item-specific Ratings

For individual criteria, the department will use an expanded rating scale that allows greater specificity. In addition to enabling increased differentiation of performance, the expanded scale facilitates greater precision in identifying strengths and weaknesses of authorizer practices for purposes of continued improvement.

	<b>Promising Practice</b>	The content is exceptional in that it exceeds both minimum statutory requirements the department standards for quality authorizing and warrants notice from, and emulation by, other authorizers.
	<b>Well-developed</b>	The content exceeds minimum statutory requirements and materially satisfies the department standards for quality authorizing.
<b>3/4</b>	<b>Approaching well-developed</b>	The content exceeds minimum statutory requirements but has one or more relevant shortcomings that must be remedied in order to meet the department standards for quality authorizing.

 <b>Satisfactory</b>	<p>The content meets minimum statutory requirements; however, substantial improvement is needed in order to meet the Department standards for quality authorizing.</p>
 <b>Approaching satisfactory</b>	<p>The content has one or more material shortcomings that must be remedied in order to meet the minimum statutory requirements for authorizing.</p>
 <b>Unsatisfactory</b>	<p>The content is either lacking altogether or falls well below the minimum statutory requirements for authorizing.</p>

*Please note, ratings are qualitative and not to be quantified.*

## COMMISSIONER APPROVAL OR DISAPPROVAL

By law, the commissioner must make a determination regarding whether to approve or disapprove each eligible authorizer that submits an application. The department's cumulative performance ratings correspond with a recommendation to the commissioner regarding approval or disapproval.

**Approve.** An approval by the commissioner means that the authorizer's documented practices at least meets the statutory requirements for authorizing. An approval will be accompanied by the length of approval (one to five years). The authorizer will be subject to more frequent reviews only if subsequent circumstances give the Department cause to conduct such reviews pursuant to Minnesota Statutes section 124D.10 3(g).

**Disapprove.** A disapproval by the Commissioner means that the Department has found that, in whole or in part, the authorizer's practices do not meet the statutory requirements for authorizing. A recommendation to Disapprove will be accompanied by documentation of the authorizing deficiencies. If the applicant is an active authorizer and does not earn approval, they will no longer be able to enter into new or renew established charter contracts.

*\*The department's recommendation is not intended to reflect an average score. An application must be sound across the full range of authorizing responsibilities. A single unsatisfactory rating may be sufficient to generate a recommendation to disapprove, depending on the significance of the section and the depth of the deficiencies.*

## PART A: STATEMENT OF INTEREST

The purpose of the Statement of Interest is to provide the authorizer an opportunity to demonstrate the capacity and commitment needed to further the purposes of Minnesota Statutes section 124D.10.<sup>ii</sup>

**Sections Include:**

**A.1: Chartering Mission and Vision**

**A.2: Authorizing Capacity and Infrastructure**

**Instructions**

Part A has two evaluated sections, provide a three to five page Statement of Interest that addresses the authorizer’s mission and vision and capacity and infrastructure to charter schools.

Attachments to include:

- Resumes of relevant personnel are requested as attachments, each should identify all schools, Local Education Agencies (LEAS), State Education Agencies (SEAS), etc., with which the individual has been associated/affiliated.
- A five-year financial plan.

### A.1: CHARTERING MISSION AND VISION

***Guiding Question***

***Does the authorizer present a compelling mission and vision aligned with the purposes of Minnesota’s charter school law?***

***Evaluation Criteria***

*A description of how chartering schools is a way for the organization to carry out its mission. The response should include information about which statutory purposes of charter schools are a particular priority for the authorizer and what the authorizer’s short- and long-term goals are for authorizing. Such goals may address the number of schools, types of schools, populations to be served, etc.*

A.1.1	A well-developed mission statement will be a clear and concise statement of what the organization intends to accomplish as a charter school authorizer.
A.1.2	A well-developed description of the vision will articulate the primary

	<p>statutory purposes that the organization expects to fulfill through charter school authorizing as well as any organization-specific purposes. The vision need not touch on every statutory purpose; however, it should align clearly with one or more of those purposes. It should discuss with specificity the desired characteristics of the schools it will charter (e.g., types of schools, populations to be served, geographic priorities, etc.). It should contain measurable criteria by which the organization can evaluate its success as an authorizer.</p>
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## A.2: AUTHORIZING CAPACITY AND INFRASTRUCTURE

### **Guiding Question**

***Does the authorizer have demonstrated capacity to carry out the duties and responsibilities of a charter school authorizer effectively?***

### **Evaluation Criteria**

*A description of the organization's capacity and infrastructure to carry out its authorizing responsibilities pursuant to Minnesota Statutes section 124D.10 3(c)(1) and 124D.10 4(d)(1)and(2). The response should include a description of staff authorizing roles and responsibilities; an organization chart showing where authorizing responsibilities rest within the organization; a description of how the authorizer manages school and student information; and – to the extent that the authorizer plans any substantial changes such as growth in the number of schools chartered – a description of how it anticipates the organizational structure and chartering responsibilities to change over the next three to five years.*

<p>A.2</p>	<p>A well-developed description of capacity and infrastructure will convey a clear, accurate understanding of the organization's duties and responsibilities as a charter school authorizer. It will also convey a persuasive, viable plan for how those responsibilities are implemented effectively.</p> <p>Specifically, the response should clearly describe the people, their responsibilities, and the other resources that the organization dedicates to charter school authorizing. Examples of important resource allocation decisions may be useful to illustrate the organization's understanding of and viability to carry out its responsibilities. For example, a discussion of the organization's system and staffing responsibilities to manage school reporting and information; a description of the organization's system and staffing responsibilities to manage school interventions; or a description of the organization's system and staffing responsibilities to manage the school closure process following a revocation or nonrenewal decision—</p>
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	these may all illuminate the authorizer's capacity and infrastructure.
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## PART B: EVALUATION OF EXISTING OR PROPOSED PRACTICES

The purpose for the Evaluation of Existing or Proposed Practices process is to understand and assess the organization's current status as an authorizer. The majority of the application focuses on documentation of those practices.

### Sections Include:

**B.1: Application Decision-Making**

**B.2: Contracting and Oversight**

**B.3: Performance-Based Accountability**

**B.4: School Autonomy**

### Instructions

The evaluation of Part B has four sections, each focuses on a functional area of the authorizing role.

Provide documentation related to the Evidence of Authorizers Practices Table (Attachment B). Make sure that the documents are labeled clearly and cross-referenced by title.

#### *Existing Practices*

Active authorizers – those with one or more schools currently in operation -- should include information requested in the left column of the Evidence of Authorizers Practices Table.

Or

#### *Proposed Practices*

New authorizers – including single-purpose authorizers -- should include information requested in the right column of the Evidence of Authorizers Practices Table.

**Table 1: Evidence of Authorizers Practices**

Active Authorizers - Existing Practices	New Authorizers - Proposed Practices	
√		School Information (see Attachment A, Application Cover Form) background on current charter schools including for each school: <ul style="list-style-type: none"> <li>• School name.</li> <li>• Grades.</li> <li>• Enrollment number.</li> <li>• Year opened.</li> <li>• Charter Management or Education Management Organization (if applicable).</li> <li>• Curriculum model or special focus.</li> </ul>
√	√	Staffing roles and responsibilities (organizational chart or other documentation of who does what).
√	√	Application policies/practices (including application packet, request for proposals, and change of authorizer application) (Part B.1).
√		*Completed application evaluations from previous applications (e.g., completed scoring rubrics) (Part B.1).
√		*Capacity interview materials (e.g., written analysis of formal interviews conducted during the application process) (Part B.1).
√		*Staff application recommendations (Part B.1).
√		Record of application decisions (Approval/Denial) (Part B.1).
√		*Executed agreements (e.g., charter contract) for currently operating schools (Parts B.2 - B.4).
√	√	Charter contract template (Parts B.2).
√	√	Monitoring policies and practices (e.g., site visit procedures and protocols) (Parts B.2 - B.4).
√		*Documentation of intervention decision-making (correspondence with the school; record of board decisions, etc.) (Parts B.2 - B.4).
√	√	Renewal decision policies/practices (e.g., renewal handbook; performance/compliance standards) (Part B.3).
√		Record of renewal decisions (include *performance analysis, staff analysis, and record of board decisions) (Part B.3).
√		*Valid and reliable evidence of school performance (e.g., annual reports, site visit reports, audit results) that illustrates the degree to which schools overseen by the authorizer are increasing student achievement (Part C).
√	√	Any other documents that you consider relevant to our understanding of your authorizing practices, such as oversight-related school communications, performance evaluations instruments, or evidence of

		deliberations around key authorizing decisions.
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*\*Active authorizers are to submit a sampling of this evidence reflective of, at least, the organization's current practices. The inclusion of outdated/historical evidence may be appropriate if the inclusion highlights organizational improvements.*

**Instructions (continued)**

Regardless of whether an active authorizer has actually received applications in the last three years, the department will expect that the authorizer be *prepared* to do so. That is, the applicant in this situation should still submit materials such as an application packet and any other *general application materials* that would be used in the event that the authorizer does receive an application.

In general, documented histories of existing practices should represent activities conducted within the last two to three years. If your organization has not engaged in the activity in the last three years, then mark "N/A" for that category with a brief explanation.

In other words, if your organization has not received an application for a new charter school in the last three years, then only the application policies/practices are required; evidence of application decision-making such as staff recommendations will not be applicable. For document requests related to actual decision-making, such as staff recommendations, mark the request "N/A" and in the space for an explanation, write "No new applications for charter schools received in the last three years."

## SECTION B.1: APPLICATION DECISION-MAKING

### **Guiding Question**

**Does the authorizer approve applications based on demonstrated preparation and capacity to operate a quality charter school?**

### **Substance<sup>iii</sup>**

#### **Evaluation Criteria**

*This sub-section evaluates the expectations that the authorizer establishes, communicates and applies to the substance of charter school applications (and change of authorizer applications), including the educational program, the organizational plan, the business plan, and demonstrated capacity, in order to make decisions about whether to approve or deny charter school applications.*

B.1.1	<p><b>Mission and Vision:</b> The authorizer has thorough requirements and rigorous evaluation criteria for the school’s proposed mission and vision.<sup>iv</sup></p>
B.1.2	<p><b>Educational Program:</b> The authorizer has thorough requirements and rigorous evaluation criteria for the proposed educational program, including the educational philosophy, proposed academic goals, curriculum and instruction, teaching skills and experience, calendar and daily schedule, target population, enrollment, and plans for educating students with special needs.<sup>v</sup></p>
B.1.3	<p><b>Organizational Plan:</b> The authorizer has thorough requirements and rigorous evaluation criteria for the proposed organizational plan, including legal status of the organization, management and operations plan, education service provider arrangements (if applicable), community involvement, student recruitment and enrollment, and staffing and human resources.<sup>vi</sup></p>
B.1.4	<p><b>Business Plan:</b> The authorizer has thorough requirements and rigorous evaluation criteria for the proposed business plan, including the budget, management of financial and other procedures, facilities, and pre-opening tasks.<sup>vii</sup></p>
B.1.5	<p><b>Applicant Capacity:</b> The authorizer has thorough requirements and rigorous criteria for evaluating the applicants’ capacity to implement the school plan effectively including capacity to oversee the educational program; achieve accountability goals; ensure effective and responsible</p>

	management of public funds; and take responsibility for legal compliance. <sup>viii</sup>
B.1.6	<b>Decision Alignment:</b> Authorizer decision-making is informed by documented evidence and analyses of the extent to which the plan satisfies approval criteria. <sup>ix</sup>
<b>Process</b>	
<p><b>Evaluation Criteria</b>  <i>This sub-section evaluates the expectations that the authorizer establishes, communicates and applies to the charter school application process (and change of authorizer application process), including timelines, format requirements, evaluation procedures, and any steps the authorizer actively takes to solicit applications.</i></p>	
B.1.7	<b>Application Process Timelines:</b> The authorizer has clear and realistic timelines for the application process. <sup>x</sup>
B.1.8	<b>Proposal Format:</b> The authorizer has clear and realistic expectations for proposal format. <sup>xi</sup>
B.1.9	<b>Transparency:</b> The authorizer has transparent processes for both application evaluation and application decision-making. <sup>xii</sup>

## B.2: CONTRACTING AND OVERSIGHT<sup>xiii</sup>

### **Guiding Question**

**Does the authorizer establish clear expectations for contracting and performance-monitoring consistent with those expectations?**

### **Evaluation Criteria**

*The contract should document the material terms of the school's operation, including its legal status, the educational program, operational requirements, financial commitments, and miscellaneous terms of the contract's operation. The contract should also make clear the legal authorities with which the charter school must comply.*

B.2.1	<p><b>Material Terms of School Existence:</b> Through the contract, the authorizer documents and monitors material terms of the school's existence, including the legal status of the school, its location, authority of the signatories, length of the charter term, and restrictions or requirements that apply to the school's governing body.<sup>xiv</sup></p>
B.2.2	<p><b>Material Terms of Educational Program:</b> Through the contract, the authorizer establishes and monitors material terms of the school's educational program including, but not limited to, the academic accountability goals.<sup>xv</sup></p>
B.2.3	<p><b>Material Terms of Operation:</b> Through the contract, the authorizer establishes and monitors material terms of the school's operation. Those include the school's mission; grade range and number of students; recruitment and enrollment practices; school calendar; student discipline; student transportation; employee status and other personnel matters; handling of student records; insurance; board operating restrictions and open meeting requirements; and (if applicable) terms of a third-party educational service provider agreement. The terms of operation include required compliance with applicable laws.<sup>xvi</sup></p>
B.2.4	<p><b>Material Financial Matters:</b> Through the contract, the authorizer establishes and monitors material financial matters. Those matters include: funding calculation and delivery; audit findings; enrollment reporting; authorizer fees; reporting requirements; audit requirements; and asset ownership and disposition rights and responsibilities.<sup>xvii</sup></p>
B.2.5	<p><b>Compliance with External Authorities:</b> Through the contract, the authorizer documents and monitors compliance</p>

	with relevant external authorities, including, but not necessarily limited to: applicable civil rights; state testing and accountability; open meeting requirements; and health, safety and welfare laws. <sup>xviii</sup>
B.2.6	<p><b>Compliance with Obligations to Special Student Populations:</b>          Through the contract, the authorizer documents expectations and monitors compliance with the school’s obligations for serving students identified with disabilities, English language learners and other special populations.<sup>xix</sup></p>
B.2.7	<p><b>Monitoring Authority:</b>          The authorizer establishes and exercises the authority it needs to monitor the school appropriately.<sup>xx</sup></p>
B.2.8	<p><b>Operational Terms of Contract:</b>          The authorizer establishes the operational terms of the contract itself, including provisions regarding notice, waiver, severability, assignment, amendment, indemnification, and contract dispute resolution.</p>

## B.3: ACCOUNTABILITY DECISIONS

### **Guiding Question**

**Does the authorizer hold schools accountable, based on performance as measured against rigorous expectations?**

### **Evaluation Criteria**

*Performance-Based Accountability means high-stakes decisions that are based on the application of valid, reliable evidence to the school's performance as set out in the charter contract. Accountability includes decisions about a school's preparation to open; whether to intervene in a school's operation; and whether to revoke or non-renew a charter contract.*

### **School Opening**

B.3.1	The authorizer has sound educational, organizational and financial conditions that must be met in order for the school to be approved to open. <sup>xxi</sup>
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### **Performance Measures**

B.3.2	<p><b>Educational Performance:</b> Consistent with state and federal accountability systems, the authorizer has clear expectations for and monitors educational performance based on contract goals, achievement level (status), student progress over time (growth), and postsecondary readiness (if applicable). The authorizer considers both absolute and comparative educational performance.<sup>xxii</sup></p>
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B.3.3	<p><b>Organizational Performance:</b> The authorizer has clear expectations for and monitors organizational performance based on responsible governance, legal compliance, sound enrollment, and positive student and family engagement.<sup>xxiii</sup></p>
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B.3.4	<p><b>Financial Performance:</b> The authorizer sets clear expectations for and monitors financial performance predicated on audit results, sound budgeting, sound accounting, and demonstrated fiscal viability.<sup>xxiv</sup></p>
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### **Performance Decisions**

B.3.5	<p><b>Charter Intervention:</b> The authorizer follows a transparent, documented, and effective process and timeline for charter intervention and makes evidence-based decisions regarding the school's demonstrated academic, organizational and financial performance.<sup>xxv</sup></p>
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B.3.6	<p><b>Charter Expansion:</b>          The authorizer follows a transparent, effective process and timeline for making charter expansion decisions such as adding additional sites or adding additional grades at the school beyond those described in the original affidavit or contract.<sup>xxvi</sup></p>
B.3.7	<p><b>Charter Revocation:</b>          The authorizer follows a transparent, documented, and effective process and timeline for charter revocation and makes evidence-based decisions regarding the school’s demonstrated academic, organizational and financial performance.<sup>xxvii</sup></p>
B.3.8	<p><b>Charter Renewal:</b>          The authorizer follows a transparent, documented, and effective process and timeline for charter renewal and makes evidence-based decisions regarding the school’s demonstrated academic, organizational and financial performance.<sup>xxviii</sup></p>
B.3.9	<p><b>Presentation of Evidence:</b>          In the context of making accountability decisions, the authorizer affords schools a meaningful opportunity to present evidence related to their performance and to amend the contract to reflect the current state of the school.<sup>xxix</sup></p>
B.3.1 0	<p><b>School Closure Practices:</b>          The authorizer has sound practices for oversight of orderly school closure in the event of revocation, non-renewal or voluntary relinquishment of the charter.<sup>xxx</sup></p>

## SECTION B.4: SCHOOL AUTONOMY

### **Guiding Question**

**Do schools have the autonomy to which they are entitled?**

### **Evaluation Criteria**

*Autonomy means the authority of schools to make decisions about the process and means by which they will achieve expected outcomes, consistent with applicable law and policy.*

B.4.1	<p><b>Management of Conflicts of Interest:</b> The authorizer takes measures to avoid conflicts of interest that might affect the authorizer’s capacity to make objective, merit-based application and renewal decisions, including avoiding decisions and interventions that make the authorizer responsible for the school’s performance.<sup>xxx1</sup></p>
B.4.2	<p><b>Documentation and Respect of Legally Entitled Autonomies:</b> Through the contract, the authorizer documents and respects the autonomies (e.g., waivers from statutes and regulations) to which the schools are entitled by law.<sup>xxx2</sup></p>
B.4.3	<p><b>Additional Authorizer Services:</b> Any services that the authorizer intends to offer schools for a fee are made distinct from the authorizer’s accountability role and responsibilities and are entered into voluntarily by both parties.<sup>xxx3</sup></p>
B.4.4	<p><b>Facilitating Innovation:</b> The authorizer provides allowable autonomies needed to enable schools to achieve instructional innovation and innovative forms of measuring outcomes.<sup>xxx4</sup></p>

## PART C: EVALUATION OF SCHOOL PERFORMANCE<sup>xxxv</sup>

The first and perhaps most important legislative purpose of Minnesota Statutes section 124D.10 is to “improve pupil learning and student achievement.”<sup>xxxvi</sup> In order to fulfill this legislative mandate, the Department’s evaluation process gives substantial weight to the performance of schools chartered by the authorizer.

### Sections Include:

**C.1: Academic Performance**

**C.2: Fiscal Performance**

### Instructions

The evaluation of Part C has two parts, each of which focuses on the performance of the authorizer’s schools.

**Active authorizers** are not required to submit information for this part of the application, but are encouraged to submit school-specific measures for section C.1.3. Reviewers will consider actual school performance based on status, proficiency, and growth measures. For sections C.1.1 and C.1.2, the department will independently draw data for **active authorizers** for schools that have at least two-years of performance information,<sup>xxxvii</sup> the data will be generated from the schools authorized by the active authorizer’s and will include:

- School status.
- Minnesota Comprehensive Assessments proficiency data.
- Minnesota Comprehensive Assessments growth data.
- School Finance Awards.
- Percent of the unreserved general fund balances from the preceding five fiscal years.

**New authorizers** may submit information for this part of the application. Since none of the data above exists for new authorizers, the data to be submitted is to reflect schools with which the organization (or individuals identified in Part A) has been associated. Data to be submitted should reflect:

- School status.
- Minnesota Comprehensive Assessments proficiency data.
- Minnesota Comprehensive Assessments growth data.
- School Finance Awards.
- Percent of the unreserved general fund balances from the preceding five fiscal years.

With each set of data submitted, new authorizers are required to describe the scope and duration of work the organization (or individuals) has conducted. Additionally,

contact information for the school/district with which the work has been conducted is to be submitted. Reviewers will consider performance of schools based on status, proficiency, and growth measures for schools.<sup>xxxviii</sup>

### C.1: ACADEMIC PERFORMANCE<sup>xxxix</sup>

**Guiding Question**

**Is the authorizer improving the academic quality of public education options available to children and families?**

C.1. 1	<p><b>State and Federal Accountability: Status</b> Schools are consistently meeting their state and federal accountability targets based on measures generated by the Minnesota Comprehensive Assessments.</p>
C.1. 2	<p><b>State and Federal Accountability: Comparative Performance</b> Schools are performing measurably better than the district in which they are located and schools statewide, based on the Minnesota Comprehensive Assessments measures of proficiency and growth.</p>
C.1. 3	<p><b>School-Specific Measures (optional)</b> Schools are increasing student achievement based on valid and reliable school-specific performance measures that the authorizer has used for purposes of evaluating school performance.</p>

### C.2: FISCAL PERFORMANCE

**Guiding Question**

**Is the authorizer improving the fiscal performance of public education options available to children and families?**

C.2	<p><b>Fiscal Performance</b> Schools are performing measurably better than the district in which they are located, based on their unreserved general fund balance and school finance awards in the preceding five fiscal years (as of June 30).</p>
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## PART D: INTERVIEW

The communication and application of the authorizer’s established practices are of vital importance to charter school authorizers. Following the desk-review of parts A, B, and C, reviewers will generate interview questions to reflect questions that emerge from the review of A, B, and C. Individuals relevant to the organization’s authorizing duties will be interviewed. Additionally, school directors and board chairs associated with active authorizers will be surveyed and invited to participate in an interview. The interview session will be conducted at the department.



## ATTACHMENT A APPLICATION COVER SHEET 1

<b>Organization Name</b>
<b>Contact Information</b> <i>mailing address, phone number, fax number, and e-mail</i>
<b>Name of Primary Contact/Liaison</b>
<p><i>Check the appropriate box and provide the appropriate organizational information:</i></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Independent school district school board.</li> <li><input type="checkbox"/> Intermediate school district school board.</li> <li><input type="checkbox"/> Education district organized under sections 123A.15 to 123A.19 .</li> <li><input type="checkbox"/> Institution of higher education, check the authorizer category the organization meets:             <ul style="list-style-type: none"> <li><input type="checkbox"/> Minnesota private college that grants two- or four-year degrees and is registered with the Minnesota Office of Higher Education under chapter 136A;</li> <li><input type="checkbox"/> Community college, state university, or technical college, governed by the Board of Trustees of the Minnesota State Colleges and Universities; or</li> <li><input type="checkbox"/> The University of Minnesota.</li> </ul> </li> <li><input type="checkbox"/> Charitable organization under section 501(c)(3) of the Internal Revenue Code, include as an attachment the organization’s most current version of <b>every</b> item requested below:             <ul style="list-style-type: none"> <li>• Documentation to evidence the organization’s <b>current membership</b> with the Minnesota Council of Nonprofits or the Minnesota Council on Foundations (membership must be active when the application is submitted).</li> <li>• Documentation of the organization’s “Active” registration with the Office of the Minnesota Attorney General when the application is submitted to MDE.</li> <li>• An audited financial statement that reports an “end-of-year fund balance of at least \$2,000,000” from the most recently completed fiscal year.                 <ul style="list-style-type: none"> <li><i>Important Notes:</i></li> <li>• <i>Annual reports must be filed and current with the Attorney General.</i></li> <li>• <i>End-of-year fund balance is the same as “Net Assets.”</i></li> <li>• <i>End-of-year fund balance must reflect the organization’s most recently completed fiscal year.</i></li> </ul> </li> </ul> </li> <li><input type="checkbox"/> Single Purpose Authorizer – Charitable organization under section 501(c)(3) of the Internal Revenue Code:             <ul style="list-style-type: none"> <li>• <b>Please note:</b> single purpose authorizers “shall consider and approve applications using the criteria provided in subdivision 4 and shall not limit the applications it solicits, considers, or approves to any single curriculum, learning program, or method” (Minn. Stat. § 124D.10 Subd. 3(b)(5)).</li> <li>• MDE will verify the organization’s registration with the Charities Division of the Office of the</li> </ul> </li> </ul>

Minnesota Attorney General: [www.ag.state.mn.us/Charities/](http://www.ag.state.mn.us/Charities/). The organization must have an "Active" registration with the Office of the Minnesota Attorney General when the charter application is submitted to MDE.



## APPLICATION COVER SHEET 2 - ASSURANCES

### LEGALLY BINDING

By signing this form, I/we \_\_\_\_\_ the applicant, acknowledge that I/we am aware of authorizer responsibilities in their entirety as stated within the application materials and shall comply with all applicable federal, state and local laws, ordinances, rules and regulations and provisions stated therein should the organization be approved to authorize charter schools in Minnesota. I/we hereby assure and agree to comply with all conditions and submit required documents and certifications as required of approved authorizers.

### IDENTIFIED OFFICIAL WITH AUTHORITY

\_\_\_\_\_  
Print Name and Title

\_\_\_\_\_  
Date \_\_\_\_\_

**SIGNATURE OF MAIN** PERSON WITH LEGAL AUTHORITY TO SIGN LEGAL DOCUMENTS ON BEHALF OF THE SCHOOL DISTRICT/ORGANIZATION

### AUTHORIZER'S CHARTER SCHOOL LIAISON

\_\_\_\_\_  
Print Name and Title

\_\_\_\_\_  
Date \_\_\_\_\_

**SIGNATURE**

### APPLICATION COVER SHEET 3

#### EXISTING SCHOOLS *(to be completed only by active authorizers)*

Active authorizers should provide the exact name and city of each charter school that is currently in operation. Use additional paper, as needed.

SCHOOL NAME		
Year opened	Current Contract Term Dates	City
Grades	Enrollment number	CMO or EMO (if applicable)
Curriculum model or special focus		
SCHOOL NAME		
Year opened	Current Contract Term Dates	City
Grades	Enrollment number	CMO or EMO (if applicable)
Curriculum model or special focus		

#### AUTHORIZING HISTORY *(to be completed only by active authorizers)*

Active authorizers should report the following data related to their history as authorizers:

Total Application Decisions	Applications Approved	Applications Denied		
Total Renewal Decisions	Contracts Renewed	Contracts Non-renewed		
	Non-renewal	Charter	Voluntary	Other

		Termination	closure	
Charter school closures by the source of the closure decision:				





the relevance briefly in the Notes column.

## **Minn. Stat. § 124D.10 (2009) CHARTER SCHOOLS**

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### Subdivision 1. **Purposes.**

(a) The purpose of this section is to:

- (1) improve pupil learning and student achievement;
- (2) increase learning opportunities for pupils;
- (3) encourage the use of different and innovative teaching methods;
- (4) measure learning outcomes and create different and innovative forms of measuring outcomes;
- (5) establish new forms of accountability for schools; and
- (6) create new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site.

(b) This section does not provide a means to keep open a school that otherwise would be closed or to reestablish a school that has been closed. Applicants in these circumstances bear the burden of proving that conversion to a charter school or establishment of a new charter school fulfills the purposes specified in this subdivision, independent of the school's closing.

An authorizer shall not approve an application submitted by a charter school developer under subdivision 4, paragraph (a), if the application does not comply with this subdivision. The commissioner shall not approve an affidavit submitted by an authorizer under subdivision 4, paragraph (b), if the affidavit does not comply with this subdivision.

### Subd. 2. **Applicability.**

This section applies only to charter schools formed and operated under this section.

#### Subd. 2a.

(Repealed by amendment, [2009 c 96 art 2 s 41](#))

### Subd. 3. **Authorizer.**

(a) For purposes of this section, the terms defined in this subdivision have the meanings given them.

"Application" to receive approval as an authorizer means the proposal an eligible authorizer submits to the commissioner under paragraph (c) before that authorizer is able to submit any affidavit to charter to a school.

"Application" under subdivision 4 means the charter school business plan a school developer submits to an authorizer for approval to establish a charter school that documents the school developer's mission statement, school purposes, program design, financial plan, governance and management structure, and background and experience, plus any other information the authorizer requests. The application also shall include a "statement of assurances" of legal compliance prescribed by the commissioner.

"Affidavit" means a written statement the authorizer submits to the commissioner for approval to establish a charter school under subdivision 4 attesting to its review and approval process before chartering a school.

"Affidavit" means the form an authorizer submits to the commissioner that is a precondition to a charter school organizing an affiliated nonprofit building corporation under subdivision 17a.

(b) The following organizations may authorize one or more charter schools:

(1) a school board; intermediate school district school board; education district organized under sections [123A.15](#) to [123A.19](#);

(2) a charitable organization under section 501(c)(3) of the Internal Revenue Code of 1986, excluding a nonpublic sectarian or religious institution, any person other than a natural person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the nonpublic sectarian or religious institution, and any other charitable organization under this clause that in the federal IRS Form 1023, Part IV, describes activities indicating a religious purpose, that:

(i) is a member of the Minnesota Council of Nonprofits or the Minnesota Council on Foundations;

(ii) is registered with the attorney general's office;

(iii) reports an end-of-year fund balance of at least \$2,000,000; and

(iv) is incorporated in the state of Minnesota;

(3) a Minnesota private college, notwithstanding clause (2), that grants two- or four-year degrees and is registered with the Minnesota Office of Higher Education under chapter 136A; community college, state university, or technical college governed by the Board of Trustees of the Minnesota State Colleges and Universities; or the University of Minnesota; or

(4) a nonprofit corporation subject to chapter 317A, described in section [317A.905](#), and exempt from federal income tax under section 501(c)(6) of the Internal Revenue Code of 1986, may authorize one or more charter schools if the charter school has operated for at least three years under a different authorizer and if the nonprofit corporation has existed for at least 25 years.

(5) no more than three single-purpose sponsors that are charitable, nonsectarian organizations formed under section 501(c)(3) of the Internal Revenue Code of 1986 and incorporated in the state of Minnesota whose sole purpose is to charter schools. Eligible organizations interested in being approved as a sponsor under this paragraph must submit a proposal to the commissioner that includes the provisions of paragraph (c) and a five-year financial plan. Such authorizers shall consider and approve applications using the criteria provided in subdivision 4 and shall not limit the applications it solicits, considers, or approves to any single curriculum, learning program, or method.

(c) An eligible authorizer under this subdivision must apply to the commissioner for approval as an authorizer before submitting any affidavit to the commissioner to charter a school. The application for approval as a charter school authorizer must demonstrate the applicant's ability to implement the procedures and satisfy the criteria for chartering a school under this section. The commissioner must approve or

disapprove an application within 60 business days of the application deadline. If the commissioner disapproves the application, the commissioner must notify the applicant of the deficiencies and the applicant then has 20 business days to address the deficiencies to the commissioner's satisfaction. Failing to address the deficiencies to the commissioner's satisfaction makes an applicant ineligible to be an authorizer. The commissioner, in establishing criteria for approval, must consider the applicant's:

- (1) capacity and infrastructure;
- (2) application criteria and process;
- (3) contracting process;
- (4) ongoing oversight and evaluation processes; and
- (5) renewal criteria and processes.

(d) The affidavit to be submitted to and evaluated by the commissioner must include at least the following:

- (1) how chartering schools is a way for the organization to carry out its mission;
- (2) a description of the capacity of the organization to serve as a sponsor, including the personnel who will perform the sponsoring duties, their qualifications, the amount of time they will be assigned to this responsibility, and the financial resources allocated by the organization to this responsibility;
- (3) a description of the application and review process the authorizer will use to make decisions regarding the granting of charters, which will include at least the following:
  - (i) how the statutory purposes defined in subdivision 1 are addressed;
  - (ii) the mission, goals, program model, and student performance expectations;
  - (iii) an evaluation plan for the school that includes criteria for evaluating educational, organizational, and fiscal plans;
  - (iv) the school's governance plan;
  - (v) the financial management plan; and
  - (vi) the administration and operations plan;
- (4) a description of the type of contract it will arrange with the schools it charters that meets the provisions of subdivision 6 and defines the rights and responsibilities of the charter school for governing its educational program, controlling its funds, and making school management decisions;
- (5) the process to be used for providing ongoing oversight of the school consistent with the contract expectations specified in clause (4) that assures that the schools chartered are complying with both the provisions of applicable law and rules, and with the contract;
- (6) the process for making decisions regarding the renewal or termination of the school's charter based on evidence that demonstrates the academic, organizational, and financial competency of the school, including its success in increasing student achievement and meeting the goals of the charter school agreement; and

(7) an assurance specifying that the organization is committed to serving as a sponsor for the full five-year term.

A disapproved applicant under this paragraph may resubmit an application during a future application period.

(e) The authorizer must participate in department-approved training.

(f) An authorizer that chartered a school before August 1, 2009, must apply by June 30, 2011, to the commissioner for approval, under paragraph (c), to continue as an authorizer under this section. For purposes of this paragraph, an authorizer that fails to submit a timely application is ineligible to charter a school.

(g) The commissioner shall review an authorizer's performance every five years in a manner and form determined by the commissioner and may review an authorizer's performance more frequently at the commissioner's own initiative or at the request of a charter school operator, charter school board member, or other interested party. The commissioner, after completing the review, shall transmit a report with findings to the authorizer. If, consistent with this section, the commissioner finds that an authorizer has not fulfilled the requirements of this section, the commissioner may subject the authorizer to corrective action, which may include terminating the contract with the charter school board of directors of a school it chartered. The commissioner must notify the authorizer in writing of any findings that may subject the authorizer to corrective action and the authorizer then has 15 business days to request an informal hearing before the commissioner takes corrective action.

(h) The commissioner may at any time take corrective action against an authorizer, including terminating an authorizer's ability to charter a school for:

(1) failing to demonstrate the criteria under paragraph (c) under which the commissioner approved the authorizer;

(2) violating a term of the chartering contract between the authorizer and the charter school board of directors; or

(3) unsatisfactory performance as an approved authorizer.

#### Subd. 4. **Formation of school.**

(a) An authorizer, after receiving an application from a school developer, may charter a licensed teacher under section [122A.18, subdivision 1](#), or a group of individuals that includes one or more licensed teachers under section [122A.18, subdivision 1](#), to operate a school subject to the commissioner's approval of the authorizer's affidavit under paragraph (b). The school must be organized and operated as a cooperative under chapter 308A or nonprofit corporation under chapter 317A and the provisions under the applicable chapter shall apply to the school except as provided in this section.

Notwithstanding sections [465.717](#) and [465.719](#), a school district, subject to this section and section [124D.11](#), may create a corporation for the purpose of establishing a charter school.

(b) Before the operators may establish and operate a school, the authorizer must file an affidavit with the commissioner stating its intent to charter a school. An authorizer must file a separate affidavit for each school it intends to charter. The affidavit must state the terms and conditions under which the authorizer would charter

a school and how the authorizer intends to oversee the fiscal and student performance of the charter school and to comply with the terms of the written contract between the authorizer and the charter school board of directors under subdivision 6. The commissioner must approve or disapprove the authorizer's affidavit within 60 business days of receipt of the affidavit. If the commissioner disapproves the affidavit, the commissioner shall notify the authorizer of the deficiencies in the affidavit and the authorizer then has 20 business days to address the deficiencies. If the authorizer does not address deficiencies to the commissioner's satisfaction, the commissioner's disapproval is final. Failure to obtain commissioner approval precludes an authorizer from chartering the school that is the subject of this affidavit.

(c) The authorizer may prevent an approved charter school from opening for operation if, among other grounds, the charter school violates this section or does not meet the ready-to-open standards that are part of the authorizer's oversight and evaluation process or are stipulated in the charter school contract.

(d) The operators authorized to organize and operate a school, before entering into a contract or other agreement for professional or other services, goods, or facilities, must incorporate as a cooperative under chapter 308A or as a nonprofit corporation under chapter 317A and must establish a board of directors composed of at least five members who are not related parties until a timely election for members of the ongoing charter school board of directors is held according to the school's articles and bylaws under paragraph (f). A charter school board of directors must be composed of at least five members who are not related parties. Staff members employed at the school, including teachers providing instruction under a contract with a cooperative, and all parents or legal guardians of children enrolled in the school are the voters eligible to elect the members of the school's board of directors. A charter school must notify eligible voters of the school board election dates at least 30 days before the election. Board of director meetings must comply with chapter 13D.

(e) Upon the request of an individual, the charter school must make available in a timely fashion the minutes of meetings of the board of directors, and of members and committees having any board-delegated authority; financial statements showing all operations and transactions affecting income, surplus, and deficit during the school's last annual accounting period; and a balance sheet summarizing assets and liabilities on the closing date of the accounting period. A charter school also must post on its official Web site information identifying its authorizer and indicate how to contact that authorizer and include that same information about its authorizer in other school materials that it makes available to the public.

(f) Every charter school board member shall attend department-approved training on board governance, the board's role and responsibilities, employment policies and practices, and financial management. A board member who does not begin the required training within six months of being seated and complete the required training within 12 months of being seated on the board is ineligible to continue to serve as a board member.

(g) The ongoing board must be elected before the school completes its third year of operation. Board elections must be held during a time when school is in session. The charter school board of directors shall be composed of at least five nonrelated members and include: (i) at least one licensed teacher employed at the school or a licensed teacher providing instruction under a contract between the charter school

and a cooperative; (ii) the parent or legal guardian of a student enrolled in the charter school; and (iii) an interested community member who is not employed by the charter school and does not have a child enrolled in the school. The board may be a teacher majority board composed of teachers described in this paragraph. The chief financial officer and the chief administrator are ex-officio nonvoting board members. Board bylaws shall outline the process and procedures for changing the board's governance model, consistent with chapter 317A. A board may change its governance model only:

(1) by a majority vote of the board of directors and the licensed teachers employed by the school, including licensed teachers providing instruction under a contract between the school and a cooperative; and

(2) with the authorizer's approval.

Any change in board governance must conform with the board structure established under this paragraph.

(h) The granting or renewal of a charter by an authorizer must not be conditioned upon the bargaining unit status of the employees of the school.

(i) The granting or renewal of a charter school by an authorizer must not be contingent on the charter school being required to contract, lease, or purchase services from the authorizer. Any potential contract, lease, or purchase of service from an authorizer must be disclosed to the commissioner, accepted through an open bidding process, and be a separate contract from the charter contract. The school must document the open bidding process. An authorizer must not enter into a contract to provide management and financial services for a school that it authorizes, unless the school documents that it received at least two competitive bids.

(j) An authorizer may permit the board of directors of a charter school to expand the operation of the charter school to additional sites or to add additional grades at the school beyond those described in the authorizer's original affidavit as approved by the commissioner only after submitting a supplemental affidavit for approval to the commissioner in a form and manner prescribed by the commissioner. The supplemental affidavit must show that:

(1) the expansion proposed by the charter school is supported by need and projected enrollment;

(2) the charter school expansion is warranted, at a minimum, by longitudinal data demonstrating students' improved academic performance and growth on statewide assessments under chapter 120B;

(3) the charter school is fiscally sound and has the financial capacity to implement the proposed expansion; and

(4) the authorizer finds that the charter school has the management capacity to carry out its expansion.

(k) The commissioner shall have 30 business days to review and comment on the supplemental affidavit. The commissioner shall notify the authorizer of any deficiencies in the supplemental affidavit and the authorizer then has 30 business days to address, to the commissioner's satisfaction, any deficiencies in the supplemental affidavit. The school may not expand grades or add sites until the commissioner has approved the

supplemental affidavit. The commissioner's approval or disapproval of a supplemental affidavit is final.

**Subd. 4a. Conflict of interest.**

(a) An individual is prohibited from serving as a member of the charter school board of directors if the individual, an immediate family member, or the individual's partner is an owner, employee or agent of, or a contractor with a for-profit or nonprofit entity with whom the charter school contracts, directly or indirectly, for professional services, goods, or facilities. A violation of this prohibition renders a contract voidable at the option of the commissioner or the charter school board of directors. A member of a charter school board of directors who violates this prohibition is individually liable to the charter school for any damage caused by the violation.

(b) No member of the board of directors, employee, officer, or agent of a charter school shall participate in selecting, awarding, or administering a contract if a conflict of interest exists. A conflict exists when:

- (1) the board member, employee, officer, or agent;
- (2) the immediate family of the board member, employee, officer, or agent;
- (3) the partner of the board member, employee, officer, or agent; or
- (4) an organization that employs, or is about to employ any individual in clauses (1) to (3),

has a financial or other interest in the entity with which the charter school is contracting. A violation of this prohibition renders the contract void.

(c) Any employee, agent, or board member of the authorizer who participates in the initial review, approval, ongoing oversight, evaluation, or the charter renewal or nonrenewal process or decision is ineligible to serve on the board of directors of a school chartered by that authorizer.

(d) An individual may serve as a member of the board of directors if no conflict of interest under paragraph (a) exists.

(e) The conflict of interest provisions under this subdivision do not apply to compensation paid to a teacher employed by the charter school who also serves as a member of the board of directors.

(f) The conflict of interest provisions under this subdivision do not apply to a teacher who provides services to a charter school through a cooperative formed under chapter 308A when the teacher also serves on the charter school board of directors.

**Subd. 5. Conversion of existing schools.**

A board of an independent or special school district may convert one or more of its existing schools to charter schools under this section if 60 percent of the full-time teachers at the school sign a petition seeking conversion. The conversion must occur at the beginning of an academic year.

**Subd. 6. Charter contract.**

The authorization for a charter school must be in the form of a written contract signed by the authorizer and the board of directors of the charter school. The contract must be completed within 45 business days of the commissioner's approval of the

authorizer's affidavit. The authorizer shall submit to the commissioner a copy of the signed charter contract within ten business days of its execution. The contract for a charter school must be in writing and contain at least the following:

(1) a declaration of the purposes in subdivision 1 that the school intends to carry out and how the school will report its implementation of those purposes;

(2) a description of the school program and the specific academic and nonacademic outcomes that pupils must achieve;

(3) a statement of admission policies and procedures;

(4) a governance, management, and administration plan for the school;

(5) signed agreements from charter school board members to comply with all federal and state laws governing organizational, programmatic, and financial requirements applicable to charter schools;

(6) the criteria, processes, and procedures that the authorizer will use for ongoing oversight of operational, financial, and academic performance;

(7) the performance evaluation that is a prerequisite for reviewing a charter contract under subdivision 15;

(8) types and amounts of insurance liability coverage to be obtained by the charter school;

(9) the term of the contract, which may be up to three years for an initial contract plus an additional preoperational planning year, and up to five years for a renewed contract if warranted by the school's academic, financial, and operational performance;

(10) how the board of directors or the operators of the charter school will provide special instruction and services for children with a disability under sections [125A.03](#) to [125A.24](#), and [125A.65](#), a description of the financial parameters within which the charter school will operate to provide the special instruction and services to children with a disability;

(11) the process and criteria the authorizer intends to use to monitor and evaluate the fiscal and student performance of the charter school, consistent with subdivision 15; and

(12) the plan for an orderly closing of the school under chapter 308A or 317A, if the closure is a termination for cause, a voluntary termination, or a nonrenewal of the contract, and that includes establishing the responsibilities of the school board of directors and the authorizer and notifying the commissioner, authorizer, school district in which the charter school is located, and parents of enrolled students about the closure, the transfer of student records to students' resident districts, and procedures for closing financial operations.

**Subd. 6a. Audit report.**

(a) The charter school must submit an audit report to the commissioner and its authorizer by December 31 each year.

(b) The charter school, with the assistance of the auditor conducting the audit, must include with the report a copy of all charter school agreements for corporate

management services. If the entity that provides the professional services to the charter school is exempt from taxation under section 501 of the Internal Revenue Code of 1986, that entity must file with the commissioner by February 15 a copy of the annual return required under section 6033 of the Internal Revenue Code of 1986.

(c) If the commissioner receives an audit report indicating that a material weakness exists in the financial reporting systems of a charter school, the charter school must submit a written report to the commissioner explaining how the material weakness will be resolved.

**Subd. 7. Public status; exemption from statutes and rules.**

A charter school is a public school and is part of the state's system of public education. A charter school is exempt from all statutes and rules applicable to a school, school board, or school district unless a statute or rule is made specifically applicable to a charter school or is included in this section.

**Subd. 8. Federal, state, and local requirements.**

(a) A charter school shall meet all federal, state, and local health and safety requirements applicable to school districts.

(b) A school must comply with statewide accountability requirements governing standards and assessments in chapter 120B.

(c) A school sponsored by a school board may be located in any district, unless the school board of the district of the proposed location disapproves by written resolution.

(d) A charter school must be nonsectarian in its programs, admission policies, employment practices, and all other operations. A sponsor may not authorize a charter school or program that is affiliated with a nonpublic sectarian school or a religious institution. A charter school student must be released for religious instruction, consistent with section [120A.22, subdivision 12](#), clause (3).

(e) Charter schools must not be used as a method of providing education or generating revenue for students who are being home-schooled.

(f) The primary focus of a charter school must be to provide a comprehensive program of instruction for at least one grade or age group from five through 18 years of age. Instruction may be provided to people younger than five years and older than 18 years of age.

(g) A charter school may not charge tuition.

(h) A charter school is subject to and must comply with chapter 363A and section [121A.04](#).

(i) A charter school is subject to and must comply with the Pupil Fair Dismissal Act, sections [121A.40](#) to [121A.56](#), and the Minnesota Public School Fee Law, sections [123B.34](#) to [123B.39](#).

(j) A charter school is subject to the same financial audits, audit procedures, and audit requirements as a district. Audits must be conducted in compliance with generally accepted governmental auditing standards, the Federal Single Audit Act, if applicable, and section [6.65](#). A charter school is subject to and must comply with sections [15.054](#); [118A.01](#); [118A.02](#); [118A.03](#); [118A.04](#); [118A.05](#); [118A.06](#); [471.38](#); [471.391](#);

[471.392](#); and [471.425](#). The audit must comply with the requirements of sections [123B.75](#) to [123B.83](#), except to the extent deviations are necessary because of the program at the school. Deviations must be approved by the commissioner and authorizer. The Department of Education, state auditor, legislative auditor, or authorizer may conduct financial, program, or compliance audits. A charter school determined to be in statutory operating debt under sections [123B.81](#) to [123B.83](#) must submit a plan under section [123B.81, subdivision 4](#).

(k) A charter school is a district for the purposes of tort liability under chapter 466.

(l) A charter school must comply with chapters 13 and 13D; and sections [120A.22, subdivision 7](#); [121A.75](#); and [260B.171, subdivisions 3 and 5](#).

(m) A charter school is subject to the Pledge of Allegiance requirement under section [121A.11, subdivision 3](#).

(n) A charter school offering online courses or programs must comply with section [124D.095](#).

(o) A charter school and charter school board of directors are subject to chapter 181.

(p) A charter school must comply with section [120A.22, subdivision 7](#), governing the transfer of students' educational records and sections [138.163](#) and [138.17](#) governing the management of local records.

**Subd. 8a. Aid reduction.**

The commissioner may reduce a charter school's state aid under section [127A.42](#) or [127A.43](#) if the charter school board fails to correct a violation under this section.

**Subd. 8b. Aid reduction for violations.**

The commissioner may reduce a charter school's state aid by an amount not to exceed 60 percent of the charter school's basic revenue for the period of time that a violation of law occurs.

**Subd. 9. Admission requirements.**

A charter school may limit admission to:

(1) pupils within an age group or grade level;

(2) pupils who are eligible to participate in the graduation incentives program under section [124D.68](#); or

(3) residents of a specific geographic area in which the school is located when the majority of students served by the school are members of underserved populations in which the school is located when the majority of students served by the school are members of underserved populations.

A charter school shall enroll an eligible pupil who submits a timely application, unless the number of applications exceeds the capacity of a program, class, grade level, or building. In this case, pupils must be accepted by lot. The charter school must develop and publish a lottery policy and process that it must use when accepting pupils by lot.

A charter school shall give preference for enrollment to a sibling of an enrolled pupil and to a foster child of that pupil's parents and may give preference for enrolling children of the school's teachers before accepting other pupils by lot.

A charter school may not limit admission to pupils on the basis of intellectual ability, measures of achievement or aptitude, or athletic ability and may not establish any criteria or requirements for admission that are inconsistent with this subdivision.

The charter school shall not distribute any services or goods of value to students, parents, or guardians as an inducement, term, or condition of enrolling a student in a charter school.

**Subd. 10. Pupil performance.**

A charter school must design its programs to at least meet the outcomes adopted by the commissioner for public school students. In the absence of the commissioner's requirements, the school must meet the outcomes contained in the contract with the authorizer. The achievement levels of the outcomes contained in the contract may exceed the achievement levels of any outcomes adopted by the commissioner for public school students.

**Subd. 11. Employment and other operating matters.**

(a) A charter school must employ or contract with necessary teachers, as defined by section [122A.15, subdivision 1](#), who hold valid licenses to perform the particular service for which they are employed in the school. The charter school's state aid may be reduced under section [127A.43](#) if the school employs a teacher who is not appropriately licensed or approved by the board of teaching. The school may employ necessary employees who are not required to hold teaching licenses to perform duties other than teaching and may contract for other services. The school may discharge teachers and nonlicensed employees. The charter school board is subject to section [181.932](#). When offering employment to a prospective employee, a charter school must give that employee a written description of the terms and conditions of employment and the school's personnel policies.

(b) A person, without holding a valid administrator's license, may perform administrative, supervisory, or instructional leadership duties. The board of directors shall establish qualifications for persons that hold administrative, supervisory, or instructional leadership roles. The qualifications shall include at least the following areas: instruction and assessment; human resource and personnel management; financial management; legal and compliance management; effective communication; and board, authorizer, and community relationships. The board of directors shall use those qualifications as the basis for job descriptions, hiring, and performance evaluations of those who hold administrative, supervisory, or instructional leadership roles. The board of directors and an individual who does not hold a valid administrative license and who serves in an administrative, supervisory, or instructional leadership position shall develop a professional development plan. Documentation of the implementation of the professional development plan of these persons shall be included in the school's annual report.

(c) The board of directors also shall decide matters related to the operation of the school, including budgeting, curriculum and operating procedures.

**Subd. 12. Pupils with a disability.**

A charter school must comply with sections [125A.02](#), [125A.03](#) to [125A.24](#), and [125A.65](#) and rules relating to the education of pupils with a disability as though it were a district.

Subd. 13. **Length of school year.**

A charter school must provide instruction each year for at least the number of days required by section [120A.41](#). It may provide instruction throughout the year according to sections [124D.12](#) to [124D.127](#) or [124D.128](#).

Subd. 14. **Annual public reports.**

A charter school must publish an annual report approved by the board of directors. The annual report must at least include information on school enrollment, student attrition, governance and management, staffing, finances, academic performance, operational performance, innovative practices and implementation, and future plans. A charter school must distribute the annual report by publication, mail, or electronic means to the commissioner, sponsor, school employees, and parents and legal guardians of students enrolled in the charter school and must also post the report on the charter school's official Web site. The reports are public data under chapter 13.

Subd. 15. **Review and comment.**

(a) The authorizer shall provide a formal written evaluation of the school's performance before the authorizer renews the charter contract. The department must review and comment on the authorizer's evaluation process at the time the sponsor submits its application for approval and each time the authorizer undergoes its five-year review under subdivision 3, paragraph (e).

(b) A sponsor shall monitor and evaluate the fiscal, operational, and student performance of the school, and may for this purpose annually assess a charter school a fee according to paragraph (c). The agreed-upon fee structure must be stated in the charter school contract.

(c) The fee that each charter school pays to an authorizer each year is the greater of:

(1) the basic formula allowance for that year; or

(2) the lesser of:

(i) the maximum fee factor times the basic formula allowance for that year; or

(ii) the fee factor times the basic formula allowance for that year times the charter school's adjusted marginal cost pupil units for that year. The fee factor equals .005 in fiscal year 2010, .01 in fiscal year 2011, .013 in fiscal year 2012, and .015 in fiscal years 2013 and later. The maximum fee factor equals 1.5 in fiscal year 2010, 2.0 in fiscal year 2011, 3.0 in fiscal year 2012, and 4.0 in fiscal years 2013 and later.

(d) The department and any charter school it charters must not assess or pay a fee under paragraphs (b) and (c).

(e) For the preoperational planning period, the authorizer may assess a charter school a fee equal to the basic formula allowance.

(f) By September 30 of each year, an authorizer shall submit to the commissioner a statement of expenditures related to chartering activities during the previous school

year ending June 30. A copy of the statement shall be given to all schools chartered by the authorizer.

**Subd. 16. Transportation.**

(a) A charter school after its first fiscal year of operation by March 1 of each fiscal year and a charter school by July 1 of its first fiscal year of operation must notify the district in which the school is located and the Department of Education if it will provide its own transportation or use the transportation services of the district in which it is located for the fiscal year.

(b) If a charter school elects to provide transportation for pupils, the transportation must be provided by the charter school within the district in which the charter school is located. The state must pay transportation aid to the charter school according to section [124D.11, subdivision 2](#).

For pupils who reside outside the district in which the charter school is located, the charter school is not required to provide or pay for transportation between the pupil's residence and the border of the district in which the charter school is located. A parent may be reimbursed by the charter school for costs of transportation from the pupil's residence to the border of the district in which the charter school is located if the pupil is from a family whose income is at or below the poverty level, as determined by the federal government. The reimbursement may not exceed the pupil's actual cost of transportation or 15 cents per mile traveled, whichever is less. Reimbursement may not be paid for more than 250 miles per week.

At the time a pupil enrolls in a charter school, the charter school must provide the parent or guardian with information regarding the transportation.

(c) If a charter school does not elect to provide transportation, transportation for pupils enrolled at the school must be provided by the district in which the school is located, according to sections [123B.88, subdivision 6](#), and [124D.03, subdivision 8](#), for a pupil residing in the same district in which the charter school is located. Transportation may be provided by the district in which the school is located, according to sections [123B.88, subdivision 6](#), and [124D.03, subdivision 8](#), for a pupil residing in a different district. If the district provides the transportation, the scheduling of routes, manner and method of transportation, control and discipline of the pupils, and any other matter relating to the transportation of pupils under this paragraph shall be within the sole discretion, control, and management of the district.

**Subd. 17. Leased space.**

A charter school may lease space from an independent or special school board eligible to be an authorizer, other public organization, private, nonprofit nonsectarian organization, private property owner, or a sectarian organization if the leased space is constructed as a school facility. The department must review and approve or disapprove leases in a timely manner.

**Subd. 17a. Affiliated nonprofit building corporation.**

(a) Before a charter school may organize an affiliated nonprofit building corporation (i) to renovate or purchase an existing facility to serve as a school or (ii) to construct a new school facility, an authorizer must submit an affidavit to the commissioner for approval in the form and manner the commissioner prescribes, and consistent with paragraphs (b) and (c) or (d).

(b) An affiliated nonprofit building corporation under this subdivision must:

(1) be incorporated under section 317A and comply with applicable Internal Revenue Service regulations;

(2) submit to the commissioner each fiscal year a list of current board members and a copy of its annual audit; and

(3) comply with government data practices law under chapter 13.

An affiliated nonprofit building corporation must not serve as the leasing agent for property or facilities it does not own. A charter school that leases a facility from an affiliated nonprofit building corporation that does not own the leased facility is ineligible to receive charter school lease aid. The state is immune from liability resulting from a contract between a charter school and an affiliated nonprofit building corporation.

(c) A charter school may organize an affiliated nonprofit building corporation to renovate or purchase an existing facility to serve as a school if the charter school:

(1) has been operating for at least five consecutive school years and the school's charter has been renewed for a five-year term;

(2) has had a net positive unreserved general fund balance as of June 30 in the preceding five fiscal years;

(3) has a long-range strategic and financial plan;

(4) completes a feasibility study of available buildings; and

(5) documents sustainable enrollment projections and the need to use an affiliated building corporation to renovate or purchase an existing facility to serve as a school.

(d) A charter school may organize an affiliated nonprofit building corporation to construct a new school facility if the charter school:

(1) demonstrates the lack of facilities available to serve as a school;

(2) has been operating for at least eight consecutive school years;

(3) has had a net positive unreserved general fund balance as of June 30 in the preceding eight fiscal years;

(4) completes a feasibility study of facility options;

(5) has a long-range strategic and financial plan that includes sustainable enrollment projections and demonstrates the need for constructing a new school facility; and

(6) a positive review and comment from the commissioner under section [123B.71](#).

Subd. 18.

(Repealed by amendment, [2009 c 96 art 2 s 41](#))

Subd. 19. **Disseminate information.**

(a) The authorizer, the operators, and the department must disseminate information to the public on how to form and operate a charter school. Charter schools must disseminate information about how to use the offerings of a charter

school. Targeted groups include low-income families and communities, students of color, and students who are at risk of academic failure.

(b) Authorizers, operators, and the department also may disseminate information about the successful best practices in teaching and learning demonstrated by charter schools.

**Subd. 20. Leave to teach in a charter school.**

If a teacher employed by a district makes a written request for an extended leave of absence to teach at a charter school, the district must grant the leave. The district must grant a leave not to exceed a total of five years. Any request to extend the leave shall be granted only at the discretion of the school board. The district may require that the request for a leave or extension of leave be made before February 1 in the school year preceding the school year in which the teacher intends to leave, or February 1 of the calendar year in which the teacher's leave is scheduled to terminate. Except as otherwise provided in this subdivision and except for section [122A.46, subdivision 7](#), the leave is governed by section [122A.46](#), including, but not limited to, reinstatement, notice of intention to return, seniority, salary, and insurance.

During a leave, the teacher may continue to aggregate benefits and credits in the Teachers' Retirement Association account under chapters 354 and 354A, consistent with subdivision 22.

**Subd. 21. Collective bargaining.**

Employees of the board of directors of a charter school may, if otherwise eligible, organize under chapter 179A and comply with its provisions. The board of directors of a charter school is a public employer, for the purposes of chapter 179A, upon formation of one or more bargaining units at the school. Bargaining units at the school must be separate from any other units within an authorizing district, except that bargaining units may remain part of the appropriate unit within an authorizing district, if the employees of the school, the board of directors of the school, the exclusive representative of the appropriate unit in the authorizing district, and the board of the authorizing district agree to include the employees in the appropriate unit of the authorizing district.

**Subd. 22. Teacher and other employee retirement.**

(a) Teachers in a charter school must be public school teachers for the purposes of chapters 354 and 354a.

(b) Except for teachers under paragraph (a), employees in a charter school must be public employees for the purposes of chapter 353.

**Subd. 23. Causes for nonrenewal or termination of charter school contract.**

(a) The duration of the contract with an authorizer must be for the term contained in the contract according to subdivision 6. The authorizer may or may not renew a contract at the end of the term for any ground listed in paragraph (b). An authorizer may unilaterally terminate a contract during the term of the contract for any ground listed in paragraph (b). At least 60 days before not renewing or terminating a contract, the authorizer shall notify the board of directors of the charter school of the proposed action in writing. The notice shall state the grounds for the proposed action in reasonable detail and that the charter school's board of directors may request in writing an informal hearing before the authorizer within 15 business days of receiving notice of nonrenewal or termination of the contract. Failure by the board of directors

to make a written request for a hearing within the 15-business-day period shall be treated as acquiescence to the proposed action. Upon receiving a timely written request for a hearing, the authorizer shall give ten business days' notice to the charter school's board of directors of the hearing date. The authorizer shall conduct an informal hearing before taking final action. The authorizer shall take final action to renew or not renew a contract no later than 20 business days before the proposed date for terminating the contract or the end date of the contract.

(b) A contract may be terminated or not renewed upon any of the following grounds:

- (1) failure to meet the requirements for pupil performance contained in the contract;
- (2) failure to meet generally accepted standards of fiscal management;
- (3) violations of law; or
- (4) other good cause shown.

If a contract is terminated or not renewed under this paragraph, the school must be dissolved according to the applicable provisions of chapter 308A or 317A.

(c) If the sponsor and the charter school board of directors mutually agree to terminate or not renew the contract, a change in sponsors is allowed if the commissioner approves the transfer to a different eligible authorizer to authorize the charter school. Both parties must jointly submit their intent in writing to the commissioner to mutually terminate the contract. The sponsor that is a party to the existing contract at least must inform the approved different eligible sponsor about the fiscal and operational status and student performance of the school. Before the commissioner determines whether to approve a transfer of authorizer, the commissioner first must determine whether the charter school and prospective new authorizer can identify and effectively resolve those circumstances causing the previous authorizer and the charter school to mutually agree to terminate the contract. If no transfer of sponsor is approved, the school must be dissolved according to applicable law and the terms of the contract.

(d) The commissioner, after providing reasonable notice to the board of directors of a charter school and the existing authorizer, and after providing an opportunity for a public hearing, may terminate the existing contract between the authorizer and the charter school board if the charter school has a history of:

- (1) failure to meet pupil performance requirements contained in the contract;
- (2) financial mismanagement or failure to meet generally accepted standards of fiscal management; or
- (3) repeated or major violations of the law.

(e) If the commissioner terminates a charter school contract under subdivision 3, paragraph (g), the commissioner shall provide the charter school with information about other eligible authorizers.

**Subd. 23a. Related party lease costs.**

(a) A charter school is prohibited from entering a lease of real property with a related party unless the lessor is a nonprofit corporation under chapter 317A or a

cooperative under chapter 308A, and the lease cost is reasonable under section [124D.11, subdivision 4](#), clause (1).

(b) For purposes of this section and section [124D.11](#):

(1) "related party" means an affiliate or immediate relative of the other party in question, an affiliate of an immediate relative, or an immediate relative of an affiliate;

(2) "affiliate" means a person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with another person;

(3) "immediate family" means an individual whose relationship by blood, marriage, adoption, or partnering is no more remote than first cousin;

(4) "person" means an individual or entity of any kind; and

(5) "control" means the ability to affect the management, operations, or policy actions or decisions of a person, whether through ownership of voting securities, by contract, or otherwise.

(c) A lease of real property to be used for a charter school, not excluded in paragraph (a), must contain the following statement: "This lease is subject to Minnesota Statutes, section [124D.10, subdivision 23a](#)."

(d) If a charter school enters into as lessee a lease with a related party and the charter school subsequently closes, the commissioner has the right to recover from the lessor any lease payments in excess of those that are reasonable under section [124D.11, subdivision 4](#), clause (1).

**Subd. 24. Pupil enrollment upon nonrenewal or termination of charter school contract.**

If a contract is not renewed or is terminated according to subdivision 23, a pupil who attended the school, siblings of the pupil, or another pupil who resides in the same place as the pupil may enroll in the resident district or may submit an application to a nonresident district according to section [124D.03](#) at any time. Applications and notices required by section [124D.03](#) must be processed and provided in a prompt manner. The application and notice deadlines in section [124D.03](#) do not apply under these circumstances. The closed charter school must transfer the student's educational records within ten business days of closure to the student's school district of residence where the records must be retained or transferred under section [120A.22, subdivision 7](#).

**Subd. 25. Extent of specific legal authority.**

(a) The board of directors of a charter school may sue and be sued.

(b) The board may not levy taxes or issue bonds.

(c) The commissioner, a sponsor, members of the board of a sponsor in their official capacity, and employees of a sponsor are immune from civil or criminal liability with respect to all activities related to a charter school they approve or sponsor. The board of directors shall obtain at least the amount of and types of insurance up to the applicable tort liability limits under chapter 466. The charter school board must submit a copy of the insurance policy to its authorizer and the commissioner before starting operations. The charter school board must submit changes in its insurance carrier or policy to its authorizer and the commissioner within 20 business days of the change.

Subd. 26.



(Repealed by amendment, [2009 c 96 art 2 s 41](#))

**History:**

[1991 c 265 art 3 s 38](#); [art 9 s 3](#); [1992 c 499 art 12 s 1](#); [1993 c 224 art 9 s 2-12](#); [art 14 s 16](#); [1994 c 465 art 2 s 1](#); [1994 c 647 art 9 s 1,2](#); [1Sp1995 c 3 art 9 s 2](#); [art 16 s 13](#); [1996 c 412 art 4 s 2](#); [1Sp1997 c 4 art 5 s 5-9](#); [1998 c 397 art 2 s 2-21,164](#); [art 11 s 3](#); [1998 c 398 art 2 s 4](#); [art 5 s 3,55](#); [1999 c 241 art 5 s 7-11](#); [2000 c 489 art 6 s 18-23](#); [1Sp2001 c 6 art 2 s 20-26,66](#); [2002 c 352 s 10](#); [2003 c 120 s 3](#); [2003 c 130 s 12](#); [1Sp2003 c 9 art 2 s 21-25](#); [art 12 s 10,11](#); [2005 c 107 art 2 s 60](#); [1Sp2005 c 5 art 2 s 59-62](#); [2006 c 263 art 2 s 15](#); [2007 c 146 art 2 s 23-25,47](#); [2009 c 96 art 2 s 41](#)

**NOTE:** The changes in subdivision 3, paragraph (b), clause (2), shall not apply to a sponsor under Minnesota Statutes 2008, section 124D.10, that is a party to a charter contract on May 17, 2009, except that subdivision 3, paragraph (b), clause (2), item (iv), applies to such sponsors beginning July 1, 2011. Laws 2009, chapter 96, article 2, section 41, the effective date.

**NOTE:** The amendment to subdivision 9 by Laws 2009, chapter 96, article 2, section 41, is effective May 17, 2009, and applies to the 2010-2011 school year and later. Laws 2009, chapter 96, article 2, section 41, the effective date.

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- i Minn. Stat. § 124D.10 3(f).
  - ii Minn. Stat. § 124D.10 3(c)(1) (capacity and infrastructure).
  - iii See generally Minn. Stat. § 124D.10 3(c)(2).
  - iv Minn. Stat. § 124D.10 3(a) (“mission statement, school purposes”).
  - v Minn. Stat. § 124D.10 3(a) (“program design”).
  - vi Minn. Stat. § 124D.10 3(a) (“governance and management structure”).
  - vii Minn. Stat. § 124D.10 3(a) (“financial plan”).
  - viii Minn. Stat. § 124D.10 3(a) (“background and experience”).
  - ix Minn. Stat. § 124D.10 3(c)(2).
  - x Minn. Stat. § 124D.10 3(c)(2) (generally); subd. 19 (dissemination).
  - xi Minn. Stat. § 124D.10 3(c)(2) (generally); subd. 19 (dissemination).
  - xii Minn. Stat. § 124D.10 3(c)(2) (generally); subd. 19 (dissemination).
  - xiii See generally Minn. Stat. § 124D.10 3(c)(3)-(4); (d)(4)-(5) (contracting and oversight).
  - xiv Minn. Stat. § 124D.10 6(9) (contract term); subd 4(a), (d) (corporate status/terms, authority to sign, board composition requirements).
  - xv Minn. Stat. § 124D.10 6(2).
  - xvi Minn. Stat. § 124D.10 6(3) (admissions); 6(4) (governance and management); 9 (recruitment and enrollment); 13 (calendar); 8(i) (student discipline); 16 (transportation); 11, 21, 22 (employee status and personnel matters); 6(8) (insurance); 6a(b) (third-party service providers); 4a (board operation and conflict of interest); 8 (federal and state requirements).
  - xvii Minn. Stat. § 124D.10 6(11) (generally); 6a, 8j (audit), 9 (funding and enrollment); 15(b) (authorizer administrative fees).
  - xviii Minn. Stat. § 124D.10 8 (federal, state and local compliance).
  - xix Minn. Stat. § 124D.10 6(10), 12.
  - xx Minn. Stat. § 124D.10 15(b).
  - xxi Minn. Stat. § 124D.10 4(c) (“ready-to-open” standards).
  - xxii Minn. Stat. § 124D.10 6(2) (academic and nonacademic outcomes), 6(11), 10, 15(b).
  - xxiii Minn. Stat. § 124D.10 14 (annual report), 15(b).
  - xxiv Minn. Stat. § 124D.10 6(11) 6a (audit), 15(b).
  - xxv Minn. Stat. § 124D.10 8a, 8b (violations and aid reduction).
  - xxvi Minn. Stat. § 124D.10 subd 4(j).
  - xxvii Minn. Stat. § 124D.10 23.

- xxviii Minn. Stat. § 124D.10 15, 23.
- xxix Minn. Stat. § 124D.10 23.
- xxx Minn. Stat. § 124D.10 6(12).
- xxxi Minn. Stat. § 124D.10 4a(c).
- xxxii Minn. Stat. § 124D.10 7 (exemption from statutes and rules).
- xxxiii Minn. Stat. § 124D.10 4(i) (services).
- xxxiv Minn. Stat. § 124D.10 1(a)(3)-(4).
- xxxv Minn. Stat. § 124D.10 1(a)(1) (purpose to improve pupil learning and student achievement); 3(d)(6) (renewal based on “success in increasing student achievement”).
- xxxvi Minn. Stat. § 124D.10 1(a)(1).
- xxxvii For purposes of validity and reliability, the department will consider performance information only for schools with at least two-years of data.
- xxxviii For purposes of validity and reliability, the department will consider performance information only for schools with at least two-years of data.
- xxxix Minn. Stat. § 124D.10 1(a)(1) (purpose to improve pupil learning and student achievement); 3(d)(6) (renewal based on “success in increasing student achievement”).